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Stacy Neal
Director

MEMORANDUM

TO: SWCAP Contacts
FROM: OA/Division of Accounting
DATE: November 9, 2015
RE: Costs Included in the Actual Costs FY14 for use in FY16 State Wide Cost Allocation Plan (SWCAP)

In order to clarify what costs are included in SWCAP, the Division of Accounting is providing an **updated** summary of all costs in SWCAP to ensure that there are no costs for which the Federal Government would pay twice.

In the SWCAP, a Central Service Agency (CSA) is an agency that provides a state wide service for other benefiting agencies of the State but does not charge the agencies directly for the service (i.e. Office of Administration, Revenue, Treasurer, etc.). Benefiting agencies would be any agency that would benefit from the service provided, including another CSA. However, the costs benefiting the CSA are then allocated back out using a step-down method; therefore all the costs are distributed to the remaining benefiting agencies found on page 1 of the SWCAP. Office of Administration Revolving Fund 0505 and Missouri Revolving Information Technology Trust Fund 0980 billed costs (e.g. data processing, telecommunications, central printing, etc.) and State Facilities Maintenance and Operation Fund 0501 are classified as section II costs under OMB Circular A-87, and **are not** included in SWCAP for purposes of allocation to benefiting agencies.

The following summarizes the costs that are included in each section of SWCAP:

- **Building Use:** A use charge of 2% is taken in lieu of depreciation for the following buildings:

Broadway, Capitol, Truman, Supreme Court, Springfield, Wainwright, Jefferson, National Guard Complex, Health Lab, Missouri Boulevard, Fletcher Daniels, St. Joseph, Kirkpatrick Information Center, DEQ Lab, Professional Registration, Mental Health, Howerton, D&C Warehouse, Penrose Family Center, Ag Feed/Seed Lab, Mill Creek, and Lewis & Clark.

Note: The use charge for the buildings listed above is not a cost that is directly charged to agencies. Instead, they are allocated to the benefiting agencies in SWCAP.

- **Equipment Use:** An equipment use charge is taken in lieu of depreciation for equipment used for administrative purposes by the Office of Administration (OA).

Note: The use charge is not a cost that is directly charged to the agencies. Instead, they are allocated to the applicable CSA in SWCAP.

- **Retirement/Group Insurance:** Includes costs for State contributions for employees' retirement, group health and life insurance, and deferred compensation. Only the costs of CSAs are included in this section. Agency specific related retirement/group insurance costs are not picked up in SWCAP.
- **OASDHI:** The costs of the State's contributions to the Social Security System. Only the costs for CSAs are included in this section. Agency specific OASDHI costs are not picked up in SWCAP.
- **Building Rental:** Includes the costs of rental office space (trans. num. agency = 314) for only CSAs. Agency specific building rental costs are not picked up in the SWCAP.
- **Workers' Compensation:** Includes workers' compensation costs of all state agencies that run through OA-Risk Management (excluding Dept. of Conservation) and are allocated to all benefiting agencies in SWCAP.
- **Unemployment Compensation:** Includes costs of Unemployment Compensation for CSAs. Agency specific unemployment compensation costs are not picked up in SWCAP.
- **Insurance:** Includes insurance costs of the State for losses due to liability, accidents, thefts, etc. This is administered by the Risk Management Unit of the Office of Administration. These costs are not charged to the agencies. Instead they are allocated to all benefiting agencies in SWCAP.
- **Commissioner of Administration (CSA):** Includes costs of allowable services provided by the Commissioner of Administration which are not otherwise billed to agencies. Instead, they are allocated to all benefiting agencies in SWCAP.
- **Information Services (CSA):** Includes cost of allowable services provided by the Division of Information Services, which are not otherwise billed to agencies. Instead, they are allocated to all benefiting agencies in SWCAP.
- **Budget and Planning (CSA):** Includes costs of allowable services provided by the Division of Budget and Planning. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.
- **Accounting (CSA):** Includes costs of allowable services provided by the Division of Accounting. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.
- **Facilities Management, Design and Construction (CSA):** Includes costs of allowable services provided by the Division of Facilities Management, Design and Construction. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.

- **Personnel (CSA):** Includes costs of allowable services provided by the Division of Personnel which are otherwise not billed. Instead, they are allocated to all benefiting agencies in SWCAP.
- **Purchasing (CSA):** Includes costs of allowable services provided by the Division of Purchasing and Materials Management. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.
- **General Services (CSA):** Includes costs of allowable services provided by the Division of General Services which are not otherwise billed. Instead, they are allocated to all benefiting agencies in SWCAP.
- **Treasurer (CSA):** Includes costs of allowable services provided by the State Treasurer's Office. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.
- **Secretary of State (CSA):** Includes costs of allowable services provided by the Secretary of State's Office. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.
- **Security (CSA):** Includes costs of allowable services provided by the Capitol Police. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.
- **Revenue (CSA):** Includes costs of allowable services provided by the Department of Revenue. These costs are not charged to the agencies; however, they are allocated to all benefiting agencies in SWCAP.

A full copy of the 2014 SWCAP is available at http://oa.mo.gov/sites/default/files/2014_SWCAP.pdf

If you have any questions or concerns, please contact Christina Evans at 751-1982 or Dwayne Rasmussen at 751-4761.